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DEPARTMENT OF COMMERCE

INTERNATIONAL TRADE ADMINISTRATION

A-580-891; A-412-826

Carbon and Alloy Steel Wire Rod from the Republic of Korea and the United Kingdom:
Initiation and Expedited Preliminary Results of Antidumping Duty Changed Circumstances
Review

AGENCY: Enforcement and Compliance, International Trade Administration, Department of
Commerce.

SUMMARY: The Department of Commerce (Commerce) is initiating, and issuing expedited
preliminary results of, a changed circumstances review (CCR) of the antidumping duty (AD)
orders on carbon and alloy steel wire rod (wire rod) from the Republic of Korea (Korea) and the
United Kingdom.

DATES: Applicable [Insert date of publication in the *Federal Register*].

FOR FURTHER INFORMATION CONTACT: Alice Maldonado or Jacob Garten, AD/CVD
Operations, Office II, Enforcement and Compliance, International Trade Administration, U.S.
Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone
202-482-4682 or 202-482-4633.

SUPPLEMENTARY INFORMATION:

Background

On May 21, 2018, Commerce published the AD orders on wire rod from Korea and the
United Kingdom.¹ On September 17, 2018, six members of the domestic industry, including the
petitioners from the underlying investigations (Nucor Corporation, Optimus Steel LLC

¹ See *Carbon and Alloy Steel Wire Rod from Italy, the Republic of Korea, Spain, the Republic of Turkey, and the United Kingdom: Antidumping Duty Orders and Amended Final Affirmative Antidumping Duty Determinations for Spain and the Republic of Turkey*, 83 FR 23417 (May 21, 2018) (*Orders*).

(formerly, Gerdau Ameristeel US Inc), Keystone Consolidates Industries, Inc., and Charter Steel) requested that Commerce initiate a CCR to revoke, in part, the AD orders on wire rod from Korea and the United Kingdom as to grade 1078 and higher tire cord wire rod effective May 21, 2018.²

Scope of the Orders

The products covered by these orders are certain hot-rolled products of carbon steel and alloy steel, in coils, of approximately round cross section, less than 19.00 mm in actual solid cross-sectional diameter. Specifically excluded are steel products possessing the above-noted physical characteristics and meeting the Harmonized Tariff Schedule of the United States (HTSUS) definitions for (a) stainless steel; (b) tool steel; (c) high-nickel steel; (d) ball bearing steel; or (e) concrete reinforcing bars and rods. Also excluded are free cutting steel (also known as free machining steel) products (*i.e.*, products that contain by weight one or more of the following elements: 0.1 percent or more of lead, 0.05 percent or more of bismuth, 0.08 percent or more of sulfur, more than 0.04 percent of phosphorous, more than 0.05 percent of selenium, or more than 0.01 percent of tellurium). All products meeting the physical description of subject merchandise that are not specifically excluded are included in this scope.

The products under these orders are currently classifiable under subheadings 7213.91.3011, 7213.91.3015, 7213.91.3020, 7213.91.3093; 7213.91.4500, 7213.91.6000, 7213.99.0030, 7227.20.0030, 7227.20.0080, 7227.90.6010, 7227.90.6020, 7227.90.6030, and 7227.90.6035 of the HTSUS. Products entered under subheadings 7213.99.0090 and 7227.90.6090 of the HTSUS also may be included in this scope if they meet the physical

² See letter from domestic industry re: “Carbon and Alloy Steel Wire Rod from the Republic of Korea and the United Kingdom: Petitioners’ Request for Changed Circumstances Review and Partial Revocation Request,” dated September 17, 2018 (CCR Request).

description of subject merchandise above. Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of these orders is dispositive.³

Initiation and Expedited Preliminary Results of Changed Circumstances Review

Pursuant to section 751(b)(1) of the Tariff Act of 1930, as amended (the Act) and 19 CFR 351.216(d), Commerce will conduct a CCR of an antidumping or countervailing duty order when it receives information which shows changed circumstances sufficient to warrant such a review. Section 782(h)(2) of the Act and 19 CFR 351.222(g)(1)(i) provide that Commerce may revoke an order (in whole or in part) if it determines that producers accounting for substantially all of the production of the domestic like product have no further interest in the order, in whole or in part. In addition, in the event Commerce determines that expedited action is warranted, 19 CFR 351.221(c)(3)(ii) permits Commerce to combine the notices of initiation and preliminary results.

For the reasons discussed below and in the accompanying proprietary memorandum, we find that such sufficient information exists to warrant a CCR.⁴ Further, Commerce does not require any additional information to make a preliminary finding. For this reason, as permitted by 19 CFR 351.221(c)(3)(ii), Commerce finds that expedited action is warranted and is conducting this review on an expedited basis by publishing preliminary results in conjunction with a notice of initiation.

³ For a description of the domestic industry's proposed exclusion language, *see* Attachment 1.

⁴ *See* Memorandum, "Analysis of Industry Support for Changed Circumstances Review: Carbon and Alloy Steel Wire Rod from the Republic of Korea and the United Kingdom," dated concurrently with, and hereby adopted by, this notice.

The six domestic producers filing the request assert that they account for “substantially all”⁵ of the domestic production of carbon and alloy steel wire rod.⁶ Because there is no record information that contradicts this claim, in accordance with section 751(b) of the Act and 19 CFR 351.222(g)(1)(i), we find that the six domestic producers comprise substantially all of the production of the domestic like product.

Because this CCR request was filed less than 24 months after the date of publication of notice of the final determination in the investigations, pursuant to 19 CFR 351.216(c), Commerce must determine whether good cause exists. We find that the six domestic producers’ affirmative statement of no interest in the orders with respect to grade 1078 and higher tire cord quality wire rod constitutes good cause for the conduct of this review.⁷ Based on the expression of no interest by the six domestic producers and in the absence of any objection by any other interested parties, we preliminarily determine that substantially all of the domestic producers of the like product have no interest in the continued application of the antidumping duty orders on wire rod from Korea and the United Kingdom. Accordingly, we are notifying the public of our intent to revoke, in part, the antidumping duty orders as they relate to imports of grade 1078 and higher tire cord wire rod. We intend to change the scope of the orders on wire rod from Korea and the United Kingdom by adding the exclusion language provided in Attachment 1 and requiring a certification as provided in Attachment 2.

⁵ In its administrative practice, Commerce has interpreted “substantially all” to mean at least 85 percent of the total production of the domestic like product covered by the order. *See, e.g., Supercalendered Paper from Canada: Final Results of Changed Circumstances Review and Revocation of Countervailing Duty Order*, 83 FR 32268 (July 12, 2018).

⁶ *See* CCR Request at 4 – 6.

⁷ *See e.g., Certain Cold-Rolled Steel Flat Products from Japan: Initiation and Preliminary Results of Changed Circumstances Review, and Intent To Revoke Order in Part*, 82 FR 821 (January 4, 2017) (finding that “Petitioners’ affirmative statement of no interest in the order . . . constitutes good case for the conduct of this review.”)

Public Comment

Interested parties may submit case briefs not later than 14 days after the date of publication of this notice.⁸ Rebuttal briefs, which must be limited to issues raised in case briefs, may be filed not later than seven days after the due date for case briefs.⁹ All submissions must be filed electronically using Enforcement and Compliance's AD and CVD Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <http://access.trade.gov> and in the Central Records Unit, room B8024 of the main Department of Commerce building. An electronically filed document must be received successfully in its entirety by ACCESS, by 5:00 p.m. Eastern Time on the due dates set forth in this notice.

Any interested party may request a hearing within 14 days of publication of this notice. Hearing requests should contain the following information: (1) The party's name, address, and telephone number; (2) the number of participants; and (3) a list of the issues to be discussed. Oral presentations at the hearing will be limited to issues raised in the briefs. If a request for a hearing is made, parties will be notified of the time and date for the hearing to be held at the U.S. Department of Commerce, 1401 Constitution Avenue NW, Washington, DC 20230 in a room to be determined.¹⁰

Unless extended, consistent with 19 CFR 351.216(e), we intend to issue the final results of this CCR no later than 270 days after the date on which this review was initiated or 45 days if all parties agree to the outcome of the review.

⁸ Commerce is exercising its discretion under 19 CFR 351.309(c)(1)(ii) to alter the time limit for filing of case briefs.

⁹ Commerce is exercising its discretion under 19 CFR 351.309(d)(1) to alter the time limit for filing of rebuttal briefs.

¹⁰ See 19 CFR 351.310(d).

This notice is published in accordance with sections 751(b)(1) and 777(i)(1) of the Act and 19 CFR 351.216 and 351.221(c)(3).

Dated: November 1, 2018

James Maeder
Associate Deputy Assistant Secretary
for Antidumping and Countervailing Duty Operations
performing the duties of Deputy Assistant Secretary
for Antidumping and Countervailing Duty Operations

Attachment 1

Proposed Revision to the Scope of the Orders

Excluded from the scope of the antidumping duty orders from Korea and the United Kingdom are grade 1078 and higher tire cord quality wire rod to be used in the production of tire cord wire. Grade 1078 and higher tire cord quality wire rod refers to wire rod with not less than 0.78 percent of carbon and includes but is not limited to other high carbon grades of wire rod such as Grade 1078, 1080, 1085, 1086, 1090, and 1092.

Grade 1078 and higher tire cord quality rod is defined as: (i) Grade 1078 and higher tire cord quality wire rod measuring not more than 6.0 mm in cross-sectional diameter; (ii) with an average partial decarburization of no more than 70 microns in depth (maximum individual 200 microns); (iii) having no non-deformable inclusions greater than 20 microns and no deformable inclusions greater than 35 microns; (iv) having a carbon segregation per heat average of 3.0 or better; (v) having a surface quality with no surface defects of a length greater than 0.15 mm; (vi) capable of being drawn to a diameter of 0.405 mm or less, and (vii) containing by weight the following elements in the proportions shown: (1) 0.78 percent or more of carbon, (2) less than 0.01 percent of aluminum, (3) 0.040 percent or less, in the aggregate, of phosphorus and sulfur, (4) 0.006 percent or less of nitrogen, (5) not more than 0.6 percent silicon; and (6) not more than 0.55 percent in the aggregate, of copper, nickel, and chromium. For purposes of the grade 1078 and higher tire cord quality wire rod, an inclusion will be considered to be deformable if its ratio of length (measured along the axis-that is, the direction of rolling-of the rod) over thickness (measured on the same inclusion in a direction perpendicular to the axis of the rod) is equal to or greater than three. The size of an inclusion for purposes of the 20 microns and 35 microns limitations is the measurement of the largest dimension observed on a longitudinal section measured in a direction perpendicular to the axis of the rod.

The designation of the products as “tire cord quality” indicates the acceptability of the product for use in the production of tire cord applications which require that the tire cord wire rod be drawn into wire with a diameter of 0.405 mm or less. These quality designations are presumed to indicate that these products are being used in tire cord applications, and such merchandise intended for the tire cord applications is not included in the scope. Importers of tire cord quality wire rod will attach, as a condition of entry, a certification of end use that certifies that the Grade 1078 and above tire cord quality wire rod will be used only in the production of tire cord wire.¹¹

¹¹ See Attachment II for proposed certification.

Attachment 2

Proposed End Use Certification

I hereby certify that:

- My name is {INSERT COMPANY OFFICIAL'S NAME HERE} and I am an official of (INSERT NAME OF IMPORTING COMPANY);
- I have direct personal knowledge of the facts regarding the importation of the (INSERT GRADE) tire cord wire rod produced in {INSERT COUNTRY} that entered under entry number(s) (INSERT ENTRY NUMBER(S)) and are covered by this certification;
- I have personal knowledge of the facts regarding the production of the imported products covered by this certification;
- I have personal knowledge of the facts regarding the end-use of the imported products covered by this certification because (initial one):
- ____ my company is the end-user of the imported product covered by this certification,
Or
____ my company is not the end-user of the imported products covered by this certification, but I have contacted the end-user and advised them in writing of the end-use requirements for the imported product and an official of the end-user has signed a copy of this certification;
- This tire cord wire rod shall be used for tire cord applications, which require that the tire cord wire rod be drawn into wire with a diameter of 0.405 mm or less;
- This tire cord wire rod will not be drawn into wire with a diameter greater than 0.405 mm;
- I understand that (INSERT NAME OF IMPORTING COMPANY) is required to maintain a copy of this certification (including a copy signed by an end-user that is not the importer) and sufficient documentation supporting this certification for the later of (1) a period of five years from the date of entry or (2) a period of three years after the conclusion of any litigation in the United States courts regarding such entries;
- I understand that (INSERT NAME OF IMPORTING COMPANY) is required to provide this certification and supporting records, upon entry, to U.S. Customs and Border Protection (CBP);
- I understand that the claims made herein, and the substantiating documentation, are subject to verification by CBP and/or the U.S. Department of Commerce (Commerce);
- I understand that failure to maintain the required certification and/or failure to substantiate the claims made herein will result in:
 - o suspension of liquidation of all unliquidated entries (and entries for which liquidation has not become final) for which these requirements were not met; and
 - o the requirement that the importer post applicable antidumping duty (AD) cash deposits equal to the rates as determined by Commerce;
- I understand that agents of the importer, such as brokers, are not permitted to make this certification;
- This certification was completed at the time of entry;

- I am aware that U.S. law (including, but not limited to, 18 U.S.C. 1001) imposes criminal sanctions on individuals who knowingly and willfully make material false statements to the U.S. government.

IMPORTER SIGNATURE

NAME OF COMPANY OFFICIAL

TITLE_

DATE_

END-USER SIGNATURE (if other than importer)

NAME OF COMPANY OFFICIAL_

TITLE

COMPANY NAME_

DATE

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